



## GUIDE TO THE BUDGET

The budget document is a two volume set. Volume one is the [Executive Budget](#) and volume two is the [Detail Budget](#). The Executive Budget is designed for a more general audience. Internet access makes the City's budget available to a much broader range of people. The Executive Budget is primarily a narrative presentation providing the City Manager's Policy letter, budget highlights, a profile of the City of Wichita, department overviews, background information, performance measurement data, summary tables of appropriations, and an entire section on property taxes and the mill levy rate.

The Detail Budget is intended for an audience interested in more specific information. It contains very little narrative and is mostly numbers (see Figures 1 and 2). Volume two includes line item detail budget pages, personal services pages (which identify individual position titles, position classification ranges, authorized position counts, and salary amounts), a listing of all budgeted capital outlay, an itemization of all appropriation items categorized as "other" within department budgets, an itemization of operating grants received by the City (including an index of agency acronyms), position counts, all the organization salary schedules (ranges and steps), information about employee benefits, and an explanation of the chart of accounts for expenditures.

Figure 1. Personal Services Page, Detail Budget (Vol. 2)

CITY OF WICHITA 2006/2007 ANNUAL BUDGET										
FUND	540 - WATER UTILITY									
DEPARTMENT	18 - WATER AND SEWER									
DIVISION	10 - WATER AND SEWER ADMINISTRATION									
SECTION	01 - WATER ADMINISTRATION									
POSITION TITLE	2004	2005	2006	RANGE	2005	2005	2006	2007		
					ADOPTED	REVISED	ADOPTED	APPROVED		
Director of Water & Sewer	1	1	1	002	120,050	126,750	126,750	126,750		
Assistant Director of Water & Sewer	1	1	1	005	96,650	99,900	99,900	99,900		
Administrative Secretary	1	1	1	621	37,520	38,650	38,610	41,000		
Secretary	1	1	1	619	34,200	28,180	29,750	31,410		
Management Intern	1	1	1	601	28,000	28,000	28,000	28,000		
Subtotal	5	5	5		306,450	311,510	314,240	317,990		
Intern Program (PT - 25%)		0	0	8	601	0	0	20,000	20,000	
Subtotal	5	5	13		306,450	311,510	314,240	337,990		
ADD: Longevity					1,150	740	990	1,050		
Accrual					2,720	2,720	2,950	3,170		
Personal services for expensed projects					0	0	20,000	20,000		
Auto allowance					4,800	4,800	4,800	4,800		
Cell phone allowance					720	720	720	720		
Employee compensation (Water)					83,650	0	86,600	173,000		
Employee compensation (Sewer)					52,420	0	53,870	107,740		
LESS: Charge to Sewer Utility					(224,770)	(160,250)	(240,190)	(314,040)		
Subtotal					(79,270)	(151,270)	(70,960)	(3,010)		
TOTAL	5	5	13		227,180	160,240	244,180	334,980		

Both documents are primarily organized by departments, with the Executive Budget offering a few additional sections in the front. Both departments have an "Other Information" section at the end. Sections are separated with tabbed dividers.

The [City Manager Policy Message](#), near the front of the Executive Budget, is the principal focus upon current budget issues and the budget development environment. It communicates in a single section the City Council's policies and priorities that superintend the process, the salient issues

Figure 2. Line Item Budget, Detail Budget (Vol. 2)

CITY OF WICHITA 2006/2007 ANNUAL BUDGET					
FUND	540 - WATER UTILITY				
DEPARTMENT	18 - WATER AND SEWER				
DIVISION	10 - WATER AND SEWER ADMINISTRATION				
SECTION	01 - WATER ADMINISTRATION				
	2004 ACTUAL	2005 ADOPTED	2005 REVISED	2006 ADOPTED	2007 APPROVED
110 Regular Salaries	117,922	221,060	154,720	258,560	328,560
120 Special Salaries	25,537	5,520	5,520	5,520	5,520
130 Overtime	0	0	0	0	0
140 Employee Benefits	52,309	70,120	64,000	66,480	69,660
150 Planned Savings	0	0	0	0	0
Subtotal Personal Services	195,768	297,300	224,300	330,660	403,970
210 Utilities	0	0	0	0	0
220 Communications	5,232	5,800	5,800	5,800	5,800
230 Transportation and Training	22,576	36,030	67,260	75,100	71,600
240 Insurance	103,530	82,210	82,210	140,940	140,940
250 Professional Services	93,503	49,630	72,680	385,290	110,200
260 Data Processing	44,444	24,150	25,960	25,960	25,960
270 Equipment Charges	1,601	1,590	1,590	1,590	1,590
280 Buildings and Grounds Charges	95,002	93,620	93,620	93,620	93,620
290 Other Contractuals	1,257,826	1,244,540	1,675,440	1,104,360	1,207,240
Subtotal Contractuals	1,623,812	1,539,380	1,924,090	1,931,160	1,665,540
310 Office Supplies	566	12,750	12,750	12,750	12,750
320 Clothing and Towels	0	0	0	0	0
330 Chemicals	2,231	1,300	1,300	1,300	1,300
340 Equipment Parts and Supplies	0	0	0	0	0
350 Materials	1,514	0	0	0	0
360 Equipment Supplies	0	0	0	0	0
370 Building Parts and Materials	0	0	0	0	0
380 Non-capitalizable Equipment	0	0	0	0	0
390 Other Commodities	-1,138	-520	-1,290	-2,090	-2,090
Subtotal Commodities	3,472	13,530	12,790	11,970	11,970
410 Land	0	0	0	0	0
420 Buildings	0	0	0	0	0
430 Improvements Other Than Bldgs.	0	0	0	0	0
440 Office Equipment	0	0	0	0	0
450 Vehicular Equipment	0	0	0	0	0
460 Operating Equipment	0	0	0	0	0
Subtotal Capital Outlay	0	0	0	0	0
510 Intermund Transfers	1,852,923	2,196,700	2,199,400	2,250,740	2,291,650
520 Debt Service	12,404,653	14,611,570	11,750,530	13,376,950	15,734,410
530 Other Nonoperating Expenses	2,125,572	2,832,760	2,897,500	3,008,850	3,165,100
540 Inventory Accounts	0	0	0	0	0
Subtotal Other	16,380,727	19,741,030	16,827,830	18,638,450	21,191,160
TOTAL	18,291,759	21,591,240	18,989,010	20,912,240	23,272,640

and how they were resolved, and all the major changes incorporated in this budget. The intent of the Policy Message is to give readers one place to go to get a sense of the processes entirely. The budget documents flow from the Policy Message into greater and greater detail as it moves through the ensuing Executive Budget sections and into volume two.

The [City Profile](#) provides the framework the City uses for the development of its annual budget by illustrating the core values and strategic priorities of the organization. This is further illustrated by providing an index of correlation between organizational priorities and departmental budgets. The profile also contains an Environmental Scan that provides a historical outline of the City of Wichita. In addition, the City Profile reports demographic information, as well as information on industry and employment. Selected measures and projections of community growth that have assisted the budget process are also reported in the City Profile. The final component of the City profile is the Benchmarking section where statistical information is gathered for comparative evaluation to determine the quality of service being provided.

The [Budget Process](#) provides a budget calendar and basic information about the budget process. This section lets the reader know how the process works.



Summaries of Revenues and Expenditures are in the following section. Often called the City's "Total Operating Budget," the summaries in fact are a combined presentation of several, discrete operating budgets (or legal funds) that are established as locally funded operations. Trust funds, grant funds and capital funds are not included in these summaries.

Departmental Presentations in the Executive Budget begin with a mission statement, recent accomplishments, department objectives, and a table reporting key performance measurements that relate to the objectives as well as providing benchmarks to compare against (see Figure 4). Each Department is given the liberty to choose the type of benchmark they would like to use, therefore the key is provided on each page to provide the reader with an explanation of the symbols. The section also includes an overview of the department, operational information, discussion of issues that were prevalent during budget development, and closes with narrative about future challenges and summary table of appropriations and authorized position totals. The depth of discussion for each department is intended to provide general audiences with a greater sense of what total value that department adds to the community for the amount of its budget.

Figure 3. Budget Summary Table, Executive Budget (Vol. 1)

Water Utility Fund Budget Summary					
	2004 Actual	2005 Adopted	2005 Revised	2006 Adopted	2007 Approved
Water Fund Revenue	37,949,927	41,273,700	38,874,880	41,417,188	44,749,810
Personal Services	7,512,545	8,413,700	8,532,700	9,081,010	9,353,730
Contractual Services	6,529,578	7,733,750	8,075,330	8,688,810	8,046,980
Commodities	2,899,970	4,188,470	3,744,330	3,649,180	3,614,530
Capital Outlay	2,719,035	1,102,240	1,114,190	1,173,930	768,450
Other	16,566,658	21,041,030	18,127,830	19,938,450	22,491,160
Total Water Fund Expenditures	36,227,785	42,479,190	39,594,380	42,531,388	44,274,858
Revenue Over (Under) Expenditures	1,722,142	(1,205,490)	(719,500)	(1,114,200)	474,960
Transfer to (from) Reserves	1,722,142	(1,205,490)	(719,500)	(1,114,200)	474,960
Total full-time positions	183	184	184	185	185
Total part-time positions	29	29	29	37	37
Total FTE positions	202.75	*203.75	203.75	**206.75	206.75

\* The 2005 Budget included an additional Electrician II for Corralton.  
\*\* The 2006 Budget includes an additional Plant Operator and eight (8) limited interns.

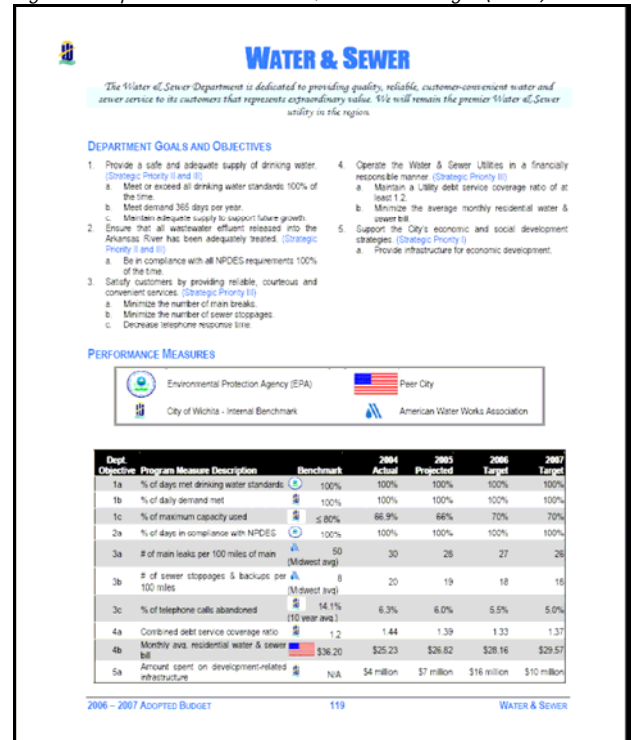
The first page in each department presentation focuses on **Performance Management**. Each department was provided a Performance Management Reference Guide that detailed a comprehensive performance management program, allowing for a way of collecting and using information to maximize service quality and resource utilization. From this program these department pages were created as a tool to illustrate to employees, supervisors, managers, elected officials and citizens the performance levels of the City.

The final section of the budget document contains Other Information, and provides supplementary detail for the rest of the document, as well as budgetary laws, policies and guidelines.

## BUDGET DOCUMENTS

The two-volume budget document is the principal product of the budget development process, but there are several documents produced as part of the overall process, and each

Figure 4. Department Presentation, Executive Budget (Vol. 1)



of them contribute to the financial planning and policy making process. The budget captures in summary much of the information provided in other documents.

- The City of Wichita **Financial Plan** is a completely separate document presenting economic and financial assumptions, preliminary revenue projections, current level expenditure estimates and fund balances for five years into the future. All major operating funds are included in this analysis. It is prepared in the spring of each year and presented to the City Council as the first step in the budget process. The Financial Plan serves as a launching pad for the Council to offer direction, priorities, or policy modifications as the budget process kicks-off.
- The **Proposed Annual Budget** contains the City Manager's proposal to meet the City's operating needs for a two-year (continually rotating) period, along with revenue estimates and decision points for City Council action (published in July). It resembles the eventual Adopted Budget in all respects, i.e., Executive and Detail volumes, etc. However, it does not include any final changes made by the governing body and it does not contain some information that is not available until later in the year, e.g., updated grant information.
- The **Adopted Annual Budget** contains the operating expenditure limits approved by the City Council and certified to the State of Kansas, as required by law, for the coming calendar year (published in November). The Executive and the Detail publication together comprise the **Adopted Annual Budget**.



- The *Capital Improvement Program* (CIP) provides the ten-year program for planned capital projects and the means of financing them.
- Each year, the Budget Office produces the City's annual *Organizational Chart*. This document conveys the approved organizations for each City department, including all authorized position titles and counts, and information about which are locally or non-locally funded.

**GOVERNMENTAL FUNDS.** Governmental funds are used to account for operations that rely primarily on current assets and current liabilities.

- The *General Fund* finances the largest portion of current operations. General Fund operations are Police, Fire, Public Works, Park, Library, Law, Municipal Court, Finance, Health, City Council, City Manager and General Government. Primary funding sources are property taxes, motor vehicle taxes, franchise taxes, intergovernmental aid and user fees.
- The *Debt Service Fund* accounts for the payment of interest and principal on long-term general obligation (GO) debt. Sources of funding include property taxes, special assessments, sales tax, bond proceeds, interest earnings and miscellaneous sources.

**SPECIAL REVENUE FUNDS** finance specified activities from a dedicated revenue source and are presented in the Detail Budget after General Fund activities within each department presentation.

- The *Tourism and Convention Fund* supports convention and tourism promotion with monies collected through the transient guest tax.
- The *Trolley Fund* receives contributions, charter income, fares, and other revenues to finance operating and maintenance costs of five trolleys.
- The *Special Alcohol Programs Fund* receives a dedicated portion of state-shared alcohol liquor tax revenues, which are reserved only for services or programs dealing with alcoholism and drug abuse prevention and education.
- The *Special Parks and Recreation Fund* receives a portion of state-shared alcohol liquor tax for the support of park and recreational services, programs and facilities.
- The *Ice Rink Management Fund* uses revenues received from the operation of Wichita Ice Sports to offset the expense of contract management for the facility.

- The *Landfill Fund* receives income through a lease agreement with a private contractor, to support activities at refuse disposal sites and environmental management needs.

- The *Landfill Post Closure Fund* exists to satisfy a statutory requirement of contingent resources enough to remediate environmental hazards emanating from the City's closed landfill. The resources were accumulated during the operation of the landfill, are enhanced through investment, and must be maintained throughout a thirty year liability period.

- The *Central Inspection Fund* utilizes building permit and license fees to monitor and regulate compliance with City codes on building construction, housing maintenance, signs and zoning.

- The *Economic Development Fund* provides management for the City's ongoing capital financing program as well as the administration for special financing projects.

- The *Sales Tax Construction Pledge Fund* receives one-half of the City's local sales tax distribution, which is pledged to support the City's transportation infrastructure. Resources are used to support debt obligations in the Debt Service Fund for selected freeway, arterial, and bridge projects, and thereafter to cash finance other qualifying and designated transportation projects.

- The *Property Management Fund* utilizes rental revenues and other earnings to acquire, manage, and dispose of City-owned properties.

- The *State Office Building Fund* uses building and garage rent payments and parking space revenues to manage custodial and maintenance functions of the State Office Building.

- The *Tax Increment Financing Fund (TIF Districts)* receives support from a property tax increment in defined districts to fund remediation and clean-up of groundwater contamination, and fund redevelopment projects to prevent or alleviate blighted areas. Districts established to eliminate groundwater contamination also receive funding from potentially responsible parties to assist with the clean-up efforts.

- The *Self-Supporting Municipal Improvement District (SSMID)* was created by the City Council in 2000 as a benefit assessment district to improve and convey special benefits to properties in downtown Wichita. The SSMID Fund provides the accounting mechanism for the revenues and distributions of the district.



- The *City/County Joint Operations Fund* supports the Metropolitan Area Planning Department and maintenance of the Wichita-Valley Center Floodway Project. Both operations are jointly financed by the City/County (less any self generating revenue), but are administered within the City's organization.
- The *Art Museum Board Fund* segregates the annual General Fund subsidy given to the Art Museum, allowing these resources to carryover to subsequent fiscal years, earn interest, and maintain a cash reserve for accrued liabilities (vacation and sick leave) and for emergencies.

**ENTERPRISE FUNDS** are used for government functions that are self-supporting. Enterprise funds belong to the group of funds called "proprietary", and are operated much like a business, with a balance sheet for all long-term debt obligations, assets and liabilities. These funds provide services to the community at large, in contrast with internal service funds (another kind of proprietary fund that provides services within the City organization). Each enterprise operation receives revenues from the sale of services or user fees. The operations generally do not receive tax support, except for Transit, which receives a subsidy from the General Fund.

The City has six enterprise funds:

- The *Wichita Airport* provides facilities for air transportation services for the public, business and industry.
- The *Golf Course System* provides five public golf facilities that are supported by user fees.
- The *Sewer Utility* operates and maintains the sewer component of the combined Water and Sewer Department, including wastewater treatment plants.
- The *Water Utility* operates and maintains the water component of the combined Water and Sewer Department, treating and distributing a safe, reliable supply of water from the equus beds (aquifer) and Cheney Reservoir (surface water).
- The *Storm Water Utility* is responsible for the construction and maintenance of the City's storm water system.
- *Wichita Transit* provides public bus service through regular fixed route services and special charter (point-to-point) services.

**INTERNAL SERVICE FUNDS** provide services for City departments at cost. Like enterprise funds (which provide services externally), internal service funds belong to the "proprietary" group of funds. The funds are operated like a

business, with a balance sheet for all assets, current liabilities and long-term obligations.

The City has four internal service funds:

- *Fleet* includes the equipment motor pool and central maintenance facility.
- *Information Technology* coordinates the City's office automation and data processing, and provides centralized management of the large digital switch, long distance usage, smaller telephone systems, and other telecommunications.
- *Stationery Stores* provides all departments with office supplies, mail service, and microfilming at the most economical cost.
- *Self Insurance* accounts for the self insurance programs of health, workers' compensation, group life, employee liability, property damage and general liability.

**TRUST FUNDS** are established when the City is custodian of monies that are to be reserved and used for a specific purpose. The budget document presents selected trust funds that are expended according to the conditions of the trusts.

- The *Wichita Employees' Retirement Fund* provides a pension program for noncommissioned employees. The City's contribution is budgeted within the operating departments.
- The *Police and Fire Retirement Fund* provides a pension program for commissioned Police and Fire personnel. The City's contribution to this pension program is budgeted within the operating departments.
- The *Cemeteries Trust Fund* uses interest earnings and charges for services to maintain the Highland Park and Jamestown cemeteries.

The chart on page viii provides a graphic representation of the fund structure utilized in the City budget. Efforts have led to a consolidation of funds (for example, more than a dozen property tax supported funds have now been consolidated into the General Fund and Debt Service Fund). Fund consolidation, along with automated data system accounting, allows improved management and costing of programs (and cost recovery where appropriate) and maximizes City Council financial flexibility in policymaking.